United States Department of Agriculture
Forest Service
Fishlake National Forest
Beaver Ranger District
Fax (435) 438-1242
575 South Main, PO Box E
Beaver, UT 84713
Phone (435) 438-2436

5/031/003

File Code: 2810
Date: September 23, 1999

Dan Proctor
951 East 830 South
Pleasant Grove, UT 84062

Dear Mr. Proctor:

Thank you for submitting a Plan of Operations for the Deer Trail Mine project. I will process the plan as quickly as possible and will respond within 30 days. Plans of Operation are jointly reviewed by the State Division of Oil, Gas and Mining (DOGM) and the Forest Service as part of a Memorandum of Understanding between the agencies. I have forwarded a copy of your Plan to Lynn Kunzler of DOGM for his review. You may wish to contact him directly at:

Division of Oil, Gas and Mining
1594 W. North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801
Phone: (801) 538-5340

Please call Steve Winslow if you have any questions.

Sincerely,

Dayle R. Flanigan

DAYLE R. FLANIGAN
District Ranger

Cc: Lynn Kunzler; DOGM

RECEIVED
SEP 27 1999
DIV. OF OIL, GAS & MINING

5/031/003

United States Department of Agriculture
Forest Service
Fishlake National Forest
Beaver Ranger District
Fax (435) 438-1242
575 South Main, PO Box E
Beaver, UT 84713
Phone (435) 438-243

File Code: 2810
Date: September 23, 1999

Lynn Kunzler
Division of Oil, Gas and Mining
1594 W. North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Dear Lynn:

I have enclosed a copy of the proposed Plan of Operation for the Deer Trail Mine submitted by Dan Proctor, operator for Unico Inc. Please call Steve Winslow if you have any questions.

Sincerely,

DAYLE R. FLANIGAN
District Ranger

Enclosure: (1)

Beaver Ranger Dist.
PO Box 3
Beaver, UT 84713
c/o Steve Johnson

USDA, Forest Service

FFS-2800-5 (7/95)
OMB NO. 0596-0022
EXPIRES 03/31/98

PLAN OF OPERATION FOR MINING ACTIVITIES ON NATIONAL FOREST LANDS

Submitted by W. Dan Proctor (Signature) Geological Consultant (Title) 09/10/99 (Date)

Plan Received by Stephen A Winslow (Signature) Resource Specialist (Title) 9/20/99 (Date)

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DIV. OF OIL, GAS & MINING

I. GENERAL INFORMATION

A. Name of Mine / Project **Deer Trail Mine**

B. Type of Operation **Lode / Exploration / Development / Underground**

C. Is this a (new/**continuing**) operation? (In bold print)

D. Proposed start-up date of operation **August 01, 1996**

E. Expected total duration of this operation **+ 5 years**

F. If seasonal, expected date of annual reclamation / stabilization close-out **N/A**

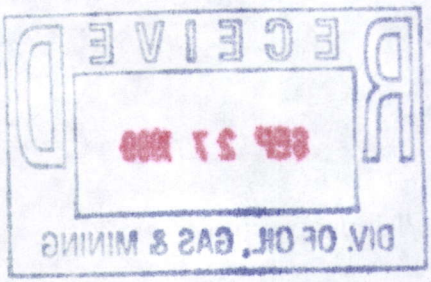
G. Expected date for completion of all required reclamation **To be determined**

II. PRINCIPALS

A. Name, address and phone number of operator **UNICO INC., P.O. Box 777, Magalia, Calif. 95954, 530-873-3494**

B. Name, address and phone number of authorized field representative (if other than operator). Attach authorization to act on behalf of operator.
W. Dan Proctor, 951 East 830 South, Pleasant Grove, Utah 84062, 801-785-1115
(Confirm authorization from Ray Brown @530-873-4394)

C. Name, address and phone number of owners of the claims (if different than operator):
FEHRPROP INC. 12900 Preston Rd., Suite 1112 LB6, Dallas, Texas 75230
214-386-7999


RECEIVED
SEP 27 1999
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D. Name, address and phone number of any other lessees, assigns, agents, etc., and briefly describe their involvement with the operation, if applicable:

N/A

III. PROPERTY OR AREA

Name of claim, if applicable, and the legal land description where the operation will be conducted.

MC #	Name	Section	Township	Range

See attached sheet for the listing of claims covering the proposed operation site.

*NOTE: Most of the claims are listed because they cover access roads not because of any planned surface excavations.

IV. DESCRIPTION OF THE OPERATION

A. **Access.** Show on a map (USGS quadrangle map or a National Forest map, for example) the claim boundaries, if applicable, and all access needs such as roads and trails, on and off the claim. Specify which Forest Service roads will be used, where maintenance or reconstruction is proposed, and where new construction is necessary. For new construction, include construction specifications such as widths, grades, etc., location and size of culverts, describe maintenance plans, and the type and sizes of vehicles and equipment that will use the access routes.

The operation would require the use of portions of Forest Service roads numbered 125 and 126 as located in Sections 12 and 13, T. 28 S., R. 4 W. These roads currently require no additional construction activity. Any maintenance would be for the purpose of keeping the area of use in a state of good repair. The roads will be used by light trucks up to one ton size.

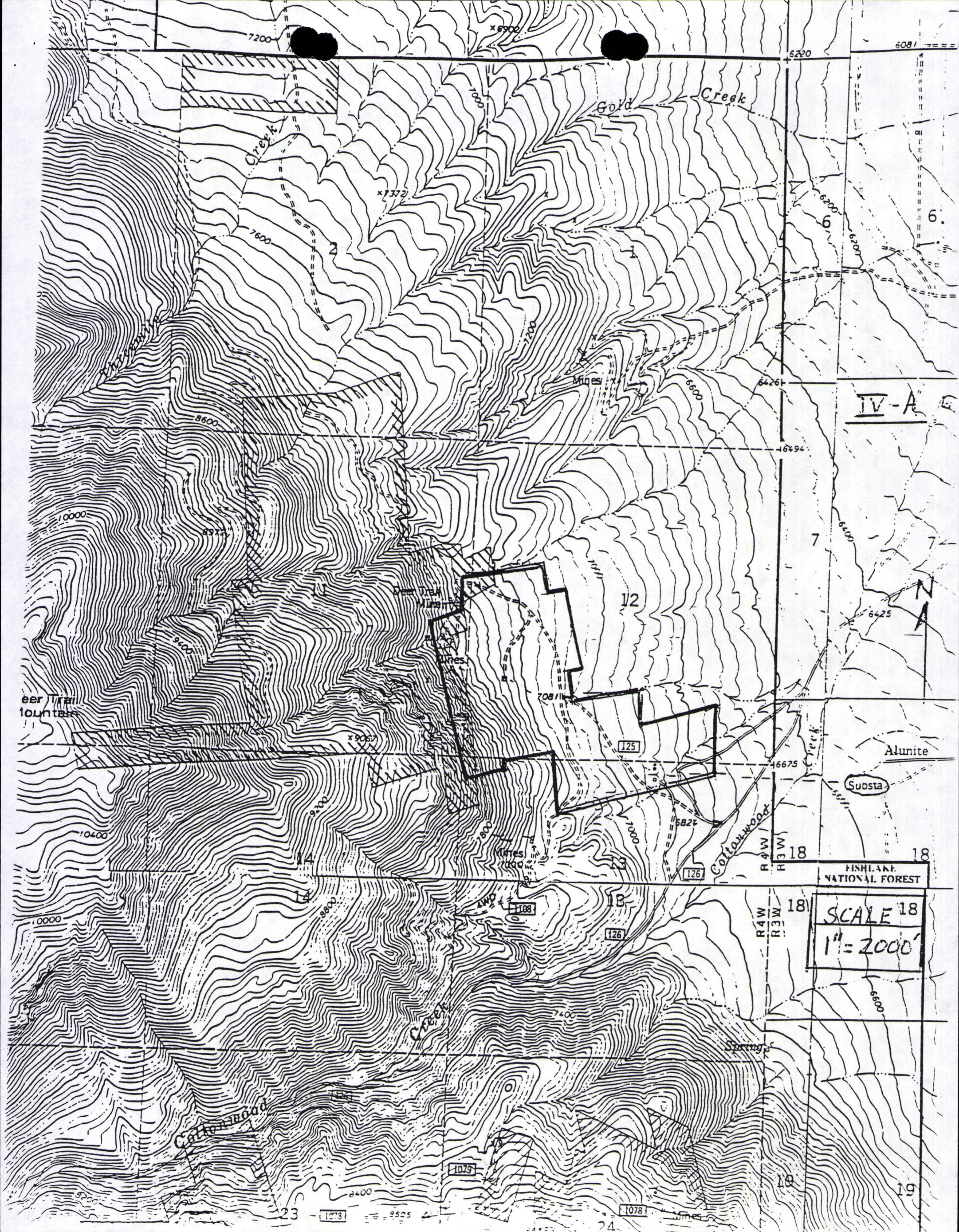
B. **Map, Sketch or Drawing.** Show location and layout of the area of operation. Identify any streams, creeks or springs if known. Show the size and kind of all surface disturbances such as trenches, pits, settling ponds, stream channels and run-off diversions, waste dumps, drill pads, timber disposal or clearance, etc. Include sizes, capacities, acreage, amounts, locations, materials involved, etc.

Please note attached sketch of mine layout (buildings and other support structures) and waste dump. All structures and power lines are required for the projected exploration/mining project. There are no known springs on the listed claims. Also, no streams or ponds.

(If more space is needed to fill out a block of information, use additional sheets and attach to form.)

ITEM III - PROPERTY OF AREA

MC#	CLAIM NAME	SECTION	TOWNSHIP	RANGE
95750	Portal No. 1	S.E. 1/4, Section 12, Township 28 South, Range 4 West		
95751	Portal No. 2	N.E. 1/4, Section 13, Township 28 South, Range 4 West S.E. 1/4, Section 12, Township 28 South, Range 4 West		
95731	Red Knoll	N.E. 1/4, Section 13, Township 28 South, Range 4 West S.E. 1/4, Section 12, Township 28 South, Range 4 West		
95697	Gorge	N.E. 1/4, Section 13, Township 28 South, Range 4 West		
95610	Crest	S.E. 1/4, Section 12, Township 28 South, Range 4 West S.W. 1/4, Section 12, Township 28 South, Range 4 West		
95600	Cliff No. 1	S.W. 1/4, Section 12, Township 28 South, Range 4 West		
Patented?	Cliff No. 41	N.W.1/4, Section 13, Township 28 South, Range 4 West N.E.1/4, Section 14, Township 28 South, Range 4 West S.E..1/4, Section 11, Township 28 South, Range 4 West S.W.1/4, Section 12, Township 28 South, Range 4 West		
95714	Lower Contact	S.W. 1/4, Section 12, Township 28 South, Range 4 West		
95752	Slope No. 1	S.W. 1/4, Section 12, Township 28 South, Range 4 West		
95753	Slope No. 2	S.W. 1/4, Section 12, Township 28 South, Range 4 West N.W.1 /4, Section 12, Township 28 South, Range 4 West		
95701	Hidden Treasure Amended	S.W. 1/4, Section 12, Township 28 South, Range 4 West S.E. 1/4, Section 11, Township 28 South, Range 4 West		
95635	Deer Trail No. 42	S.E. 1/4, Section 12, Township 28 South, Range 4 West S.W. 1/4, Section 11, Township 28 South, Range 4 West		
95726	Mountain Chief Amended	S.W. 1/4, Section 12, Township 28 South, Range 4 West N.W.1/4, Section 12, Township 28 South, Range 4 West		



Gold Creek
Creek
IV-A
Mines
Deer Trail Mine
Mines
eer Trail
ountain
Alunite
Substa
Cottonwood
Creek
Cottonwood
R4W R3W
FISHLAKE NATIONAL FOREST
SCALE
1" = 2000'
Spring
125
126
108
1078
1079

C. **Project Description.** Describe all aspects of the operation including mining, milling, and exploration methods, materials, equipment, workforce, construction and operation schedule, power requirements, how clearing will be accomplished, topsoil stockpiled, waste rock placement, tailings disposal; proposed number of drill holes and depths; depth of proposed suction dredging, and how gravels will be replaced, etc. Calculate production rates of ore Include justification and calculations for settling pond capacities and, size of runoff diversion channels.

Continued exploration and development work will be performed on the property. The bulk of the activity will be done underground. Underground access will be the PTH Tunnel (lower mine area, located mining claims), No. 2 and No. 3 Tunnels (upper mine area, patented mining claims), and others yet to be determined. A small screening plant and crusher is contemplated to be used at the upper patented area. To be used in conjunction with conventional gravity operation concentrating equipment, i.e., "Wiffley Table" gold bowl, and spirals.

Small lots of bulk samples will be produced from the PTH Tunnel for continual testing and metallurgical work-up. No more than 2,000 tons of waste rock will be produced per year of operation. All ores will be shipped off the property for further refinement and settlement. A small work force of no more than 10 people will be required.

The present buildings and facilities are needed for the operation and will be utilized for shops,storage, office, equipment and stationary compressor housing. No other buildings are contemplated at the present time. All scrap metal will be placed in a secured location on the premises until such time that it can be removed and sold for salvage including the old air receiving tank located at the upper area. The old "out house" west of the PTH portal will be removed and that area reclaimed.

Some water will be needed for shower facilities, septic system, mining purposes, and dust control measures. Also, at the upper patented area water will be required for use with the gravity concentration equipment and dust control as well. It is proposed that the water will come from the Three Mile Canyon spring via the Forest Service pipeline (if approved). The exact amount of water needed for the operation has not been calculated at present. However, consumption should be less than 15,000 gallons per week. A recycled water pond will be constructed and utilized in junction with the concentrating equipment at the upper patented area. This is to conserve on the amount of water taken from the pipeline source. Tailings from this operation will be placed in a proposed new tailing and settling pond on the exiting location of the old mill tails. The new tails will be covered with the soil excavated from the new pond at the end of operations. This soil will be stockpiled at the location.

Drainage during runoff events has been in place for over 20 years and appears to be very effective for its intended use. Ores that may from time to time be stored on the surface prior to shipping will be bermed in order to contain any rain or snow melt from migrating from the storage location.

No surface drilling has been planned at the present time for the operation. However, in the event surface drilling becomes necessary all permits will be obtained prior to drilling.

D. **Equipment and V[redacted]**. Describe that which is proposed [redacted] in your operation (Examples: drill, dozer, wash plant, mill, etc.) Include: sizes, capacity, frequency of use, etc.

The existing stationary diesel compresssors, mine cars, and trammer motor (electric), one small one ton water truck. These items would most likely be used on an everyday basis during an underground exploration/mining operation. 2 dump trucks, 1- 4x4 vechile, upto 2 Front ENDLOADERS, 1- Screening plant, crushing unit, gravity seperation equipment (see page 3)

E. **Structures.** Include information about fixed or portable structures or facilities planned for the operation. Show locations on the map. Include such things as living quarters, storage sheds, mill buildings, thickener tanks, fuel storage, powder magazines, pipe lines, water diversions, trailer, sanitation facilities including sewage disposal, etc. Include engineering design and geotechnical information for project facilities, justification and calculations for sizing of tanks, pipelines and water diversions, etc.

See attached sheet for building locations and uses.

V. ENVIRONMENTAL PROTECTION MEASURES (SEE 36 CFR 228.8)

A. **Air Quality.** Describe measures proposed to minimize impacts on air quality such as obtaining a burning permit for slash disposal or dust abatement on roads.

Necessary permits will be obtained before burning. Road travel will be minimal; but, when necessary, the water truck will sprinkle used roadways and other work areas for dust abatement.

(If more space is needed to fill out a block of information, use additional sheets and attach to form.)

Water Quality. State how applicable state and federal water quality standards will be met. Describe measure or management practic[redacted] o be used to minimize water qua[redacted]ty im[redacted]ts and meet applicable standards.

1. State whether water is to be used in the operation, and describe the quantity, source, methods and design of diversions, storage, use, disposal, and treatment facilities. Include assumptions for sizing water conveyance or storage facilities.

2. Describe methods to control erosion and surface water runoff from all disturbed areas, including waste and tailings dumps.

3. Describe proposed surface water and groundwater quality monitoring, if required, to demonstrate compliance with federal or state water quality standards.

4. Describe the measures to be used to minimize potential water quality impacts during seasonal closures, or for a temporary cessation of operations.

5. If land application is proposed for waste water disposal, the location and operation of the land application system must be described. Also describe how vegetation, soil, and surface and groundwater quality will be protected if land application is used.

1. Water is used in any mining operation for drilling, compressor coolant, storage for personal hygiene.
2. Waste on tailings dumps are stabilized and contained.
3. No surface water, springs, or other underground water is fond on the subject lands.
4. N/A
5. N/A any contemplated ponds will be properly lined.

C. **Solid Wastes.** Describe the quantity and the physical and chemical characteristics of solid waste produced by the operation. Describe how the wastes will be disposed of including location and design of facilities, or treated so as to minimize adverse impacts.

No solid wastes will be produced. Chemical wastes will consist mainly of used motor oil and lubricates that will be disposed according to State and/or Federal requirements.

D. **Scenic Values.** Describe protection of scenic values such as screening, slash disposal, or timely reclamation.

Allowing natural vegetation to grow, re-seeding where advisable. When the operation finally concludes: then, contouring of mine dumps and final re-seeding will take place.

(If more space is needed to fill out a block of information, use additional sheets and attach to form.)

E. **Fish and Wildlife** ...e measures to maintain and prote...es and wildlife, and their habitat (includes threatened, enda...d, and sensitive species) affected by the operations.

The proposed operation will not involve any additional surface disturbanc and will not impact, in an adverse way, fisheries, wildlife, or their habitat.

F. **Cultural Resources.** Describe measures for protecting known historic and archeological values, or new sites in the project area.

There are no known cultural resources in the mining area or the waste dump location.

G. **Hazardous Substances.**

1. Identify the type and volume of all hazardous materials and toxic substances which will be used or generated in the operations including cyanide, solvents, petroleum products, mill, process and laboratory reagents.

The only hazardous/toxic substanees which will be used in a normal mining/ exploration program include gasoline, lubricating and engineoils, and diesel fuel. Such materials will be used from their original containers (5 gallon or 50 gallon drums). The number of 5 gallon and 50 gallon containers will not likely exceed ten (10) at any one time. These materials will be in a locked building or locked security fence.

2. For each material or substance, describe the methods, volume, and frequency of transport (include type of containers and vehicles), procedures for use of materials or substances, methods, volume, and containers for disposal of materials and substances, security (fencing), identification (signing/labeling), or other special operations requirements necessary to conduct the proposed operation.

These materials will be brought on site by suppliers truck transport as needed and used on site.

Disposal will be to the appropriate county landfill or collection facility. There is no plan to have an on-site disposal facility.

(If more space is needed to fill out a block of information, use additional sheets and attach to form.)

3. Describe the measu to be taken for release of a reportable antity of a hazardous, or the release o a toxic substa ...s includes plans for spill preventi ntainment, notification, and cleanup.

The relatively small quantity of material that will be on site at any one time will be secured within a lock secured building and/or fenced/locked enclosure. Such storage area will be protected by a soil berm. Any reportable spill will be immediately reported to the proper agencies and cleanup will immediately follow.

H. **Reclamation.** Describe the annual and final reclamation standards based on the anticipated schedule for construction, operations, and project closure. Include such items as the removal of structures and facilities including bridges and culverts, a revegetation plan, permanent containment of mine tailings, waste, or sludges which pose a threat of a release into the environment, closing ponds and eliminating standing water, a final surface shaping plan, and post operations monitoring and maintenance plan.

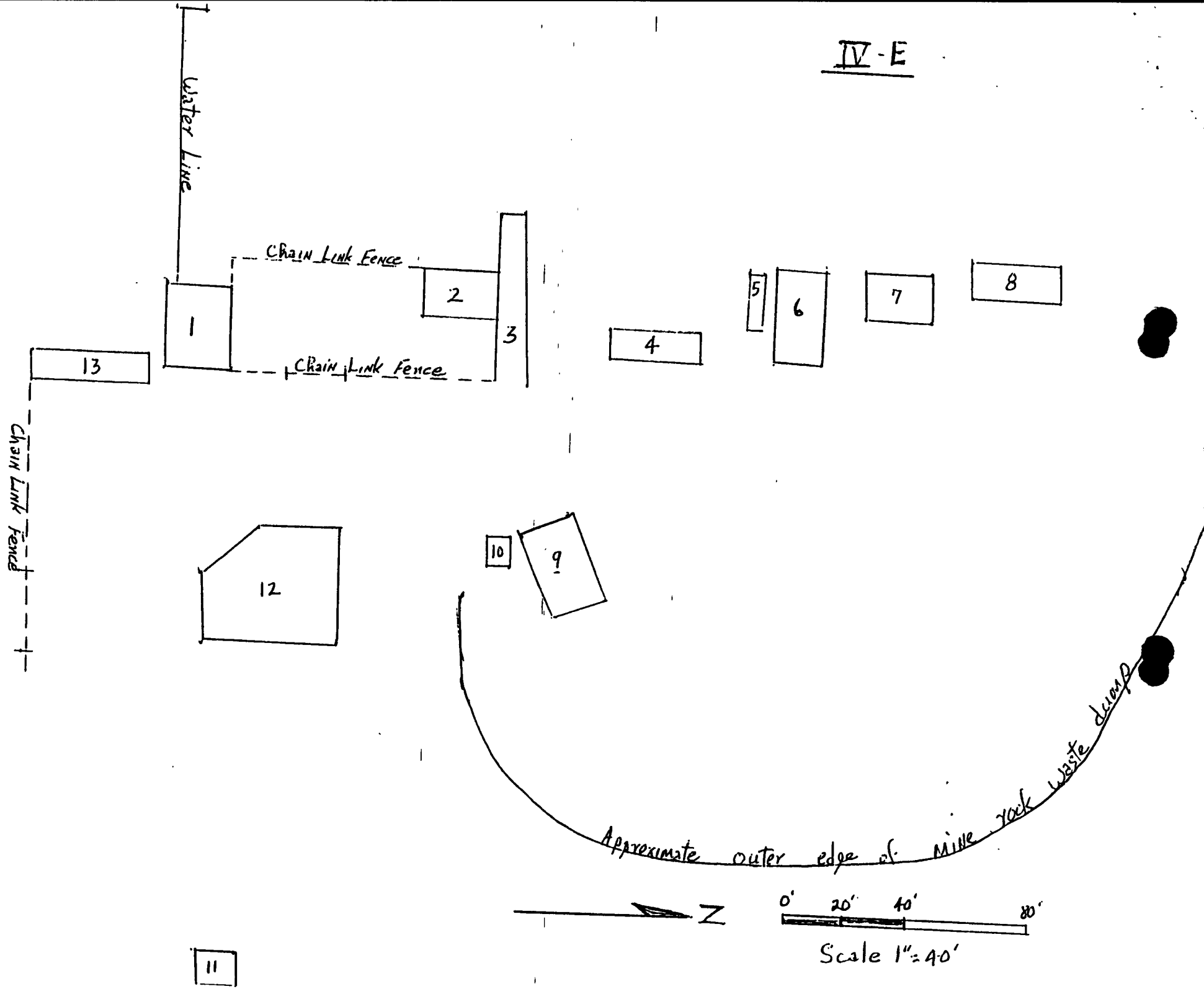
The plan is for a year-round operation. Annual reclamation will be done as necessary.

Please refer to attached "Reclamation Plan" as it contains the reclamation actions and standards that UNICO will follow.

VI. FOREST SERVICE EVALUATION OF PLAN OF OPERATIONS

A. Required changes/modifications/special mitigation for plan of operations:

(If more space is needed to fill out a block of information, use additional sheets and attach to form.)


Water Line
Chain Link Fence
Chain Link Fence
Chain Link Fence
1
2
3
4
5
6
7
8
9
10
11
12
13
Approximate outer edge of Mine rock waste dump
N
0'
20'
40'
80'
Scale 1" = 40'

IV - E. STRUCTURES

All of the structures listed below have a near proximity to the PTH mine operation and are all used and needed for the proposed exploration and mining project. This need includes the power lines running from the transformer station (Refer to No.12, below) to the "E" Raise where the lines are taken underground.

1. Cinder Block with Concrete Floor.
   Change/Shower/Restroom Building - Required by OSHA

2. Tin Exterior with Concrete Floor.
   Machine Shop/Parts

3. Tin Covered Shed
   Covering Mine Portal

4. Tin Covered Building
   Supply Storage - includes 50 gal drums of oil, and lubricants, drill machines

5. Transformer Platform
   Supplies power needs to compressors and shop areas.

6. Tin Covered with Concrete Floor
   Compressor Building - houses the mine compressors.

7. Tin Covered Building
   Machine parts storage.

8. Wooden Structure (two rooms) with Wood Floor
   Office area and drill core/sample storage

9. Tin Covered Building with Concrete Floor
   Storage of electric trammer motors and mine lights charging facility.
   Small parts workshop.

10. Tin Covered Shed
    Contains the generator for charging motors and lights.

11. Tin and Wood Structure (heavy construction)
    For security storage.

12. Transformer Station - Surrounded by High Chain Link Fence
    Supplies power to the entire mine operation (Surface and Underground).

13. 10' x 40' Mobile Trailer
    This facility will likely become the main mine office with telephone, mapping facilities, computer center.

14. Water Storage Tank
    Supplies water for personal hygiene use and as a first effort against possible fire occurrence.

B. **Bond.** Reclamation of all disturbances connected with this plan of operations is covered by Reclamation Performance Bond 97-03-005, dated 3/24/97, signed Jay Brown (Principal) and N/A (Surety), for the penal sum of $19,600. This Reclamation Performance Bond is a guarantee of faithful performance with the terms and conditions listed below, and with the reclamation requirements agreed upon in the plan of operations. This Reclamation Performance Bond also extends to and includes any unauthorized activities conducted in connection with this operation.

The bond amount for this Reclamation Performance Bond was based on a bond calculation worksheet. The bond amount may be adjusted during the term of this proposed plan of operations in response to changes in the operations or to changes in the economy. Both the Reclamation Performance Bond and the bond calculation worksheet are attached to and made part of this plan of operations.

Should the bond delivered herewith, or any bond delivered hereafter in connection with this plan of operations, no longer be in effect, the operator shall, within 30 calendar days of receipt of the Forest Service demand, furnish a new bond satisfactory to the Forest Service. Until such time that a satisfactory bond is received by the Forest Service, no further operations other than reclamation activities will be allowed.

Acceptable bond securities (subject to change) include:

1. Negotiable Treasury bills and notes which are unconditionally guaranteed as to both principle and interest in an amount equal at their par value to the penal sum of the bond; or
2. Certified or cashier's check, bank draft, Post Office money order, cash, assigned certificate of deposit, assigned savings account, blanket bond, or an irrevocable letter of credit equal to the penal sum of the bond.

TERMS AND CONDITIONS

A. If a bond is required, it must be furnished before approval of the plan of operations.

B. Information provided with this plan marked confidential will be treated in accordance with the agency's laws, rules and regulations.

C. Approval of this plan of operations does not constitute certification of ownership to any person named herein and/or recognition of the validity of any mining claim named herein.

D. Approval of this plan does not relieve me of my responsibility to comply with other applicable state or federal laws, rules or regulations.

E. If previously undiscovered cultural resources (historic or prehistoric objects, artifacts, or sites) are exposed as a result of operations, those operations will not proceed until notification is received from the Authorized Officer that provisions for mitigating unforeseen impacts as required by 36 CFR 228.4(e) and 36 CFR 800 have been complied with.

F. This plan of operations has been approved for a period of _____ or until _____. A new or revised plan must be submitted in accordance with 36 CFR part 228, subpart A, if operations are to be continued after that time period.

III. RECLAMATION STANDARDS

1. Upon cessation of mining activity, all buildings, metal and wood material, and machinery in the mine project area will be removed from National Forest System lands, unless specifically authorized by the Forest Service.

2. Areas no longer needed for mining operations will receive reclamation treatment as prescribed in the reclamation plan within 1 year.

3. All reclaimed areas will be graded and restored to closely resemble the general surface configuration of surrounding terrain and restored to closely resemble the general surface configuration of surrounding terrain and blend into and compliment the drainage pattern of the surrounding terrain, and be reclaimed to be capable of supporting the approved post-mining land use.

4. Seeding and planting of disturbed areas shall be conducted:
   a) Immediately after final site preparation; and
   b) During the first normal period for favorable planting conditions as recommended by the Forest Service.

5. Acceptable ground cover requirements for bond release will be at least 70 percent of an adjacent like area. Ground cover will include:
   a) live perennial basal herbaceous vegetation.
   b) accumulated dead plant litter.
   c) rock fragments over 3/4 inch diameter.

RECLAMATION BOND WORKSHEET
for
UNICO, Inc.
DEER TRAIL MINE (PTH)
Plan No. 040803-97-1

I. EQUIPMENT AND MOBILIZATION COSTS

Description: Type and hourly rate of heavy equipment needed to accomplish reclamation. Move-in and move-out (roading) costs. Hourly operating costs were used to estimate reclamation costs in parts II and III.

	Operating Cost (per hour)	Move-in & Move-out Cost
Track-mounted Excavator (Backhoe) 1.5 cu.yd. capacity	$ 75.00	$ 160
Loader, wheel type, 4-wd, 2.5 cu.yd . capacity	$ 45.00	$ 160
Dump Truck, 12-18 cu.yd. capacity	$ 45.00	$ 105
	Total	$ 425

II. REMOVAL OF SURFACE STRUCTURES AND EQUIPMENT

Description: Remove 11 buildings/structures including one trailer. Remove and dispose of the contents of the buildings Demolish buildings and footings and haul all debris to a sanitary landfill. Load all other surface debris, including metal and wood material and machinery and haul to landfill. Excavate and remove water storage tank. Remove and dispose of chain link fence. Remove transformer substation and power line from the substation to the "E" Raise. Salvage material, equipment, and machinery when practicable.

	Unit Cost	No. of Units	Total
Buildings	$2.75 per sq. ft	11 @ 3.900 sq. ft.	$ 10,725
Power Line & Substation		3,000 feet	$ 3,500
House Trailer		1	$ 300
Chain Link Fence		370 feet	$ 350
Water Storage Tank		1	$ 250
Labor: demolition & load	$14.00 per hour	40 hours	$ 560
		Total	$ 15,685

III. SURFACE RECLAMATION - REVEGETATION

Description: Contour and reshape the ground surface to blend in with surrounding terrain after facilities are removed. Close and recontour portals and remove access roads into PTH portal and into "E" Raise portal (from junctions with Forest Road 125). Scarify all compacted surfaces Assumes use of track-mounted excavator at $75 per hour to accomplish all work. Seed with Forest Service approved seed mix; fertilize.

	Unit Cost	No. of Units	Total
Contour, reshape, scarify around buildings; close portals	$800 per acre	1.3 acres	$ 1,040
Contour, obliterate access roads	$2,600 per mile	0.5 miles	$ 1,300
Seeding	Seed: 26 lbs/acre @ $1 50/pound	2.0 acres	$ 75
Fertilizing	Fertilizer: 200 lbs/acre @$0.10/pound	2.0 acres	$ 40
Labor: Seeding and fertilizing	$14.00 per hour	6 hours	$ 84
		Total	$ 2,539

IV. SUMMARY

ITEM	TOTAL
Equipment Mobilization	$ 425
Removal of Structures and Equipment	$ 15,685
Surface Reclamation and Revegetation	$ 2,539
Subtotal	$ 18,649
Administrative Costs (5% of total)	$ 932
Grand Total	$ 19,581

BOND REQUIRED PRIOR TO PLAN APPROVAL = $19,600
ounded to nearest $100)

V The bond amount may be periodically reviewed and adjusted to compensate for completed reclamation work, change in equipment rental rates, wage rate scale, or increased scope of the operation. Should collection of the bond be required, actual cost and methods may be different than those described. If actual costs are greater than the amount of the bond, the Forest Service may request compensation If the bond amount is greater than the reclamation work performed, a refund will be given.

WORKSHEET PREPARED BY Richard K. Kennedy DATE 3/5/97

REVIEWED BY Dale R. Flanigan DATE 3/24/97

Notes:

1 References Used:

- Cost Estimating Guide for Road Construction, Region 4 Division of Engineering, Forest Service, 1995
- Heavy equipment cost provided by local operator.
- Estimated cost for removal of power line and transformer substation provided by Utah Power and Light, Richfield, Utah.